CURRENT MINNESOTA LABOR MARKET CONDITIONS

March 1984 Supplement to The Review of Labor and Economic Conditions

Prepared by the Research and Statistical Services Office, MN Dept. of Economic Security, 390 N. Robert St., St. Paul MN 55101, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics, and Employment and Training Admin.

Nation

Although some of the economic news was not as favorable in February as in January, developments in most of the indicators, especially employment, unemployment and industrial production, show that the economy is still expanding at a vigorous pace. U.S. Commerce Department economists expect that real gross national product will grow at an annual rate of 7 percent in the first quarter of 1984.

The labor market continued its steady improvement in February as the unemployment rate fell further and both total and nonfarm payroll employment posted strong gains. The seasonally adjusted unemployment rate declined by 0.2 of a percentage point for the third consecutive month in February, dropping to 7.8 percent. Since the recession high, the rate has decreased by 2.4 percentage points. Total employment (seasonally adjusted) rose by a very strong 282,000 in February and has increased by 3.4 million during the recovery. Equally important, seasonally adjusted nonfarm payroll employment climbed by a healthy 306,000 in February and has risen by 3.5 million since the trough of the recession.

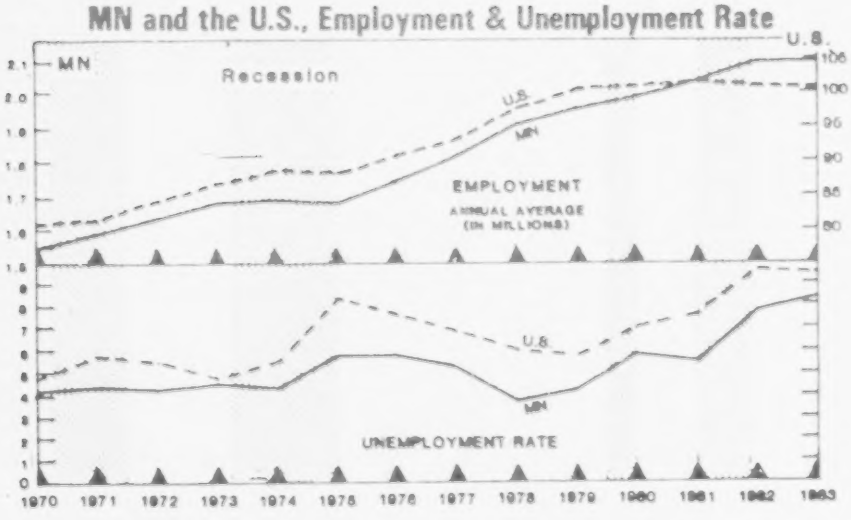
Other developments in February also indicated that the economy was still quite buoyant. Industrial production rose 1.2 percent in both January and February after average monthly increases of 0.5 percent in the fourth quarter. Also, housing starts continued to rise at a fast rate, increasing by 11.2 percent in February after a gain of 14.7 percent in January.

State

The State's economy continued to improve in February but not as rapidly as in January. Although the unemployment rate fell considerably more than is normal for February, total employment did not increase as much as it usually does in February. Also, seasonally adjusted nonfarm payroll employment rose somewhat less than the average monthly gain of the last twelve months.

Minnesota's seasonally unadjusted unemployment rate dropped from 7.8 percent in January to 7.4 percent in February. The 0.4 of a percentage point decline in the rate suggested that there was real improvement in the unemployment picture because the drop compared with a 14 year average of practically no change between January and February. Although unadjusted total employment rose by only 0.3 percent in February, about half of the average gain for February, it was still substantially above (4.6 percent) the year earlier level. Meanwhile, seasonally adjusted nonfarm payroll employment climbed by a modest 4,300 in February after a strong gain of 12,400 in January. The largest over-the-month increases in adjusted payroll employment were in services (1,200), durable goods manufacturing (1,100) and mining (1,000). Since the recession low in December, 1982, payroll employment has risen by 81,100. The biggest employment gains during the recovery were in services (22,900), total manufacturing (20,700) and trade (17,300). However, total payroll employment is still below (13,500) the pre-recession high in January 1981.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	February 1984	Change From Last Mo.	Change From Year Ago	February 1984	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2147.0	-2.3	21.4	111.4	0.3	1.7
Employed	1989.0	6.8	87.0	102.0	0.7	4.7
Unemployed	158.0	-9.1	-65.6	9.4	-0.4	-3.0
Unemployment Rate						
Actual	7.4	-0.4	-3.1	8.4	-0.4	-2.9
Seasonally Adjusted	n.a.	n.a.	n.a.	7.8	-0.2	-2.6


MN and the U.S., Employment & Unemployment Rate
MN
U.S.
Recession
EMPLOYMENT
ANNUAL AVERAGE (IN MILLIONS)
UNEMPLOYMENT RATE
1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

INDUSTRY	EMPLOYMENT 1/ (thousands)			PER CENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Feb. 1964	Jan. 1964	Feb. 1963	Jan. 1964	Feb. 1963	Feb. 1964	Jan. 1964	Feb. 1964	Jan. 1964	Feb. 1964	Jan. 1964
TOTAL NONAGRICULTURAL	1718.8	1719.6	1650.1	0.0	4.2						
MANUFACTURING	348.4	349.0	336.9	-0.2	3.4	394.23	394.38	9.71	9.69	40.6	40.7
Durable Goods	209.2	208.7	196.7	0.2	6.3	408.37	406.99	9.78	9.76	41.6	41.7
Furniture, Lumber and Wood	14.1	14.4	13.7	-2.1	2.9	401.27	401.40	10.01	9.98	39.4	40.2
Stone, Clay and Glass	7.4	7.3	6.9	1.4	7.2	374.02	367.84	9.74	9.68	38.4	38.0
Primary Metals	5.7	5.7	5.6	0.0	1.8	392.16	384.57	9.22	9.07	43.0	42.4
Fabricated Metals	33.0	33.0	31.9	0.0	3.4	441.53	449.86	10.61	10.84	41.4	41.5
Nonelectrical Machinery	84.7	83.8	77.1	1.1	9.8	427.4	426.22	10.01	10.05	42.3	42.4
Electrical Machinery	26.0	26.4	25.0	-1.5	4.0	350.35	345.74	8.41	8.41	41.6	41.3
Transportation Equipment	6.9	6.8	6.4	1.5	7.8	445.83	470.17	10.49	10.71	42.5	43.9
Other Durable Goods 2/	31.5	31.1	31.6	1.3	-0.3	375.65	374.33	9.03	9.02	41.6	41.5
Nondurable Goods	139.2	140.3	140.2	-0.8	-0.7	370.63	377.28	9.61	9.60	38.4	39.3
Food and Kindred	42.0	42.8	41.3	-1.9	1.7	336.78	339.70	8.68	8.60	38.8	39.5
Textile and Apparel	4.8	4.8	4.6	0.0	4.3	226.31	226.21	6.10	6.10	37.1	36.1
Paper and Allied	31.7	31.8	31.8	-0.3	-0.3	476.73	479.16	11.01	10.99	43.3	43.6
Printing and Publishing	37.6	37.6	35.1	0	7.0	380.21	374.11	10.36	10.45	36.7	35.8
Chemical and Petroleum	9.4	9.4	9.4	0.0	0.0	427.63	426.18	10.70	10.60	40.9	40.2
Rubber and Leather	13.9	13.4	13.3	3.8	4.5	311.54	310.31	8.05	8.06	38.7	38.5
NONMANUFACTURING	1374.6	1367.6	1314.8	0.5	4.2						
Mining and Quarrying	8.0	7.9	7.8	1.3	2.6	462.08	462.36	12.80	12.53	36.1	36.9
Metal Mining	7.0	6.7	6.4	4.4	9.4	484.46	482.39	13.47	13.10	36.1	36.6
Construction	49.8	51.1	44.4	-2.5	12.1	569.60	568.89	15.23	15.09	37.4	37.7
Building	15.6	16.3	13.5	-4.3	15.6	539.46	514.37	14.58	13.79	37.0	37.3
Highway and Heavy	4.7	4.6	4.3	2.2	9.4	498.30	483.22	12.85	13.06	38.0	37.0
Special Trades	29.5	30.4	26.6	-2.9	10.8	600.85	611.80	15.98	16.10	37.6	38.0
Transportation	58.4	58.4	56.9	0	2.6						
Railroads	10.1	10.4	10.6	-2.9	-5.1	548.86	548.86	11.88	11.88	46.2	46.2
Trucking and Warehousing	23.2	23.1	22.1	0.4	5.1	426.74	427.01	11.92	11.95	35.8	35.8
Public Utilities	34.1	34.1	33.4	-0.2	2.0	507.20	507.20	12.68	12.68	40.0	40.0
Communications	20.1	20.1	19.7	0	2.0	468.66	468.07	11.90	11.88	39.4	39.4
Elec., Gas and Sanitary	14.0	14.1	13.8	-0.4	2.2	559.29	555.70	13.61	13.62	40.8	40.8
Trade	423.5	426.6	408.5	-0.7	3.7	226.72	230.51	7.45	7.46	30.7	30.9
Retail	314.7	317.3	303.0	-0.8	3.9	164.18	164.54	6.44	6.43	28.6	28.7
General Merchandise	45.9	47.2	43.0	-2.7	6.9	164.02	162.53	5.90	5.91	27.8	27.5
Food Stores	42.5	43.8	44.5	-0.8	-2.3	215.54	213.36	7.51	7.46	28.7	28.6
Automotive	33.7	33.6	32.3	0.3	4.1	299.92	303.18	8.15	8.15	36.8	37.2
Eating and Drinking	102.5	102.2	98.2	0.3	4.3	117.13	117.61	4.84	4.84	24.2	24.3
Wholesale	108.9	109.3	105.6	-0.4	3.1	386.97	395.22	10.13	10.16	38.2	38.9
F.I.R.E.	101.6	101.4	98.1	0.1	3.5						
Finance	48.7	48.7	46.5	0.2	4.9						
Insurance	36.1	36.1	35.5	-0.1	1.9						
Real Estate	16.7	16.6	16.2	0.6	3.0						
Service Industries	398.6	395.0	377.7	0.9	5.6						
Hotel and Lodging	20.7	20.6	18.5	0.7	12.0						
Business Services	63.7	62.9	56.5	1.3	12.8						
Health Services	134.6	134.1	131.3	0.4	2.4						
Private Education	24.5	23.3	23.9	5.2	2.5						
Soc. Serv., Museums etc.	86.8	86.1	82.0	0.8	5.8						
Government	299.8	293.1	293.3	2.3	2.2						
Federal	30.7	30.5	29.8	0.8	2.9						
State	76.3	74.2	74.2	2.9	2.7						
Local	192.9	188.5	189.2	2.4	1.9						

1/ Totals may not add because of rounding.
2/ Includes Scientific Instruments and Miscellaneous Industries.

Labor Force Data: State, SMSAs, and Counties

Area or County	February, 1984 Prelim. Labor Force 1/	Unemp.	Un. Rate
State of Minnesota	2147029	157995	7.4
Metropolitan Areas			
Duluth/Superior (Duluth City Only)	34902	3866	11.1
Fargo/Moorhead (Clay County, MN Only)	23798	1467	6.0
Minneapolis/St. Paul SMSA 2/	1185478	62309	5.3
Rochester SMSA (Olmsted Co.)	58862	2900	4.9
St. Cloud SMSA 3/	78480	7257	9.2
Counties			
Aitkin	5383	1208	22.4
Anoka	112278	6450	5.7
Becker	12442	2347	18.9
Beltrami	16051	1623	10.1
Benton	12133	1144	9.4
Big Stone	3740	336	9.0
Blue Earth	28213	1689	6.0
Brown	14593	1195	8.2
Carlton	11253	1524	13.0
Carver	21522	1425	6.6
Cass	9586	1363	14.2
Chippewa	7335	669	9.1
Chisago	15452	1501	9.7
Clay	27798	1957	7.0
Clearwater	4116	1030	25.0
Cook	2349	325	15.1
Cottonwood	7140	504	7.1
Crow Wing	16602	2228	13.4
Dakota	111524	6220	5.6
Dodge	7824	865	11.1
Douglas	12835	1171	9.1
Faribault	10020	845	8.4
Fillmore	11901	1194	10.0
Freeborn	17469	1806	10.3
Goodhue	19558	1449	7.4
Grant	3378	312	9.2
Hennepin	535718	25009	4.7
Houston	9780	779	8.0
Hubbard	5445	901	16.5
Isanti	10321	1007	9.8
Itasca	17020	2411	14.2
Jackson	7683	479	6.2
Kanabec	5300	741	14.0
Kandiyohi	17786	1523	8.6
Kittson	3276	352	10.7
Koochiching	7340	859	11.7
Lac qui Parle	5554	407	7.3
Lake	4169	862	20.7
Lake of the Woods	1812	203	11.2
Le Sueur	11028	1372	12.4
Lincoln	3641	309	8.5
Lyon	14473	998	6.9
McLeod	16188	1329	8.2
Mahnomen	2838	355	12.5
Marshall	6059	998	16.5
Martin	13262	942	7.1
Meeker	10410	1441	13.8
Mille Lacs	8482	940	11.1
Morrison	17443	1638	13.2
Mower	17921	1452	8.1
Murray	5891	626	10.6
Nicollet	14519	865	6.0
Nobles	11792	1004	8.5
Norman	4348	378	8.7
Olmsted	58862	2900	4.9
Otter Tail	24362	3156	13.0
Pennington	6304	678	10.8
Pine	9600	1454	15.1
Pipestone	5413	349	6.4
Polk	17307	1465	8.5
Pope	5189	530	10.2
Ramsey	262504	13074	5.0
Red Lake	2120	384	18.1
Redwood	10197	681	6.7
Renville	11026	1044	9.5
Rice	23758	2125	8.9
Rock	5502	26X	4.9
Roseau	5605	869	15.5
St. Louis (Inc. Duluth)	85686	11421	13.3
Scott	25662	1909	7.4
Sherburne	14483	1434	9.9
Sibley	8275	784	9.5
Stearns	51864	4674	9.0
Steele	16188	1309	8.1
Stevens	5717	440	7.7
Swift	6073	586	9.6
Todd	11171	1054	9.4
Traverse	2671	244	9.1
Wabasha	9090	971	10.7
Wadena	5364	641	12.0
Waseca	8727	652	7.5
Washington	65197	3586	5.5
Watonwan	6594	544	8.2
Wilkin	4142	313	7.6
Winona	22173	2165	9.8
Wright	35121	3135	8.9
Yellow Medicine	7297	599	8.2

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is Applied to all county and SMSA areas. County and area unemployment was multiplied by an adjustment factor of 1.44; employment was multiplied by 1.33. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

2/ Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright Counties.

3/ Benton, Sherburne, and Stearns Counties.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

In February, the total number of claimants for unemployment benefits dropped by 3,321 or 5.6 percent to 56,426. The February 1984 decline was the largest February decrease in both numerical and percentage terms since unduplicated counts of claimants were initiated in 1977. Over half of the drop in claimants in February was among claimants in the mining industry. The decline in mining claimants was the result of both recalls at taconite plants and workers exhausting their unemployment benefits. Larger than normal January to February reductions also occurred in wholesale and retail trade. Over-the-year, the total number of claimants fell by 27,157 or 32.5 percent. The steepest over-the-year decline was in manufacturing - over a third of the total decrease. The number of claimants has now been below year earlier levels for twelve consecutive months.

Table 1. Distribution of Insured Unemployed, By Age and Sex, February, 1984

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	56426	78.1	100.0	100.0
Under 45	43367	79.2	78.0	72.9
Under 25	11246	78.0	19.9	20.0
25-34	21302	81.1	39.2	32.6
35-44	10819	76.9	18.9	20.3
45 and Over	13059	74.4	22.0	27.1
45-54	7374	75.3	12.6	14.7
55 and Over	5685	73.2	9.4	12.4

Table 2. Distribution of Insured Unemployed By Industry and Occupation, February, 1984

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term 1/ Unemployed	Women as Percent of Total
Total, All Industries	56426	100.0	13.9	22.0
Ag., For., Fish.	1929	3.4	10.5	10.5
Mining	1692	3.0	16.8	5.0
Construction	19527	34.6	6.2	2.6
Manufacturing	12700	22.5	14.8	31.8
Pub. Utilities	2438	4.3	11.6	11.5
Wholesale Trade	2951	5.2	19.2	21.3
Retail Trade	5617	10.0	21.3	40.2
Fin., Ins., Real Est.	1005	1.8	26.4	48.2
Services	6714	11.9	24.0	51.2
Public Admin.	1269	2.3	23.3	27.4
Ind. Not Available	584	1.0	1.2	20.7
Total, All Occupations	56426	100.0	13.9	22.0
Prof., Tech., Mgr.	4722	8.4	26.7	37.6
Clerical	3992	7.1	26.0	79.5
Sales	1576	2.8	24.4	33.4
Services	3345	5.9	25.1	57.7
Farm., For., Fish.	1620	2.9	13.5	11.9
Processing	3025	5.3	9.5	41.8
Machine Trades	2582	4.6	18.3	11.1
Benchwork	3893	6.9	16.9	51.7
Structural Work	20747	36.8	7.3	1.6
Misc.	10408	18.4	11.0	8.1
Inf. Not Available	516	0.9	4.8	38.1

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial johs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand 1/

Occupation	Applicants (Supply)	Job Openings (Demand)	Supply/Demand Ratio	
Total				
Prof., Tech., Mgr.				
Clerical				
Sales				
Dom. Services				
Other Services				
Farm., Fish., For.				
Processing				
Machine Trades				
Benchwork				
Structural Work				
Mtr. Frght., Trans.				
Pkg. & Mat. Hndlg.				
Other				

Data for Table 3 is not available due to processing problems. This information will be included in future issues if it becomes available.

1/ Inexperienced and improperly coded job applicants are not included in this table.

7/1/84 S4160-3 A

REVIEW OF LABOR AND ECONOMIC CONDITIONS

Vol. 11 No. 1, First Quarter 1984

May 1984 Issue

Editorial Comment P. 1
Some New Perspectives on Poverty

Research Summaries P. 3
Trends In Employee Benefits

The Job Market P. 5
Eating and Drinking Establishments

Feature Article
Continued Trends in Wages and Salaries in Minnesota 1981 through 1983 P. 9

Brief Analysis of Economic Conditions P. 17

Forecast P. 18

Statistical Section

Labor Force Statistics P. S-1

Labor Market Conditions P. S-2

Income and Purchasing Power P. S-7

Output, Expenditures, Money and Credit Conditions P. S-9

Technical Notes P. S-11

Available Publications P. 30

MINNESOTA DEPARTMENT OF ECONOMIC SECURITY

RESEARCH AND STATISTICAL SERVICES OFFICE

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The Review of Labor and Economic Conditions is published quarterly by the Research and Statistical Services Office of the Minnesota Department of Economic Security, 390 North Robert Street, St. Paul, MN, 55101, in cooperation with the United States Department of Labor, Bureau of Labor Statistics, and the Employment and Training Administration. Current Minnesota Labor Market Conditions is published in the eight months for which no Review appears. Subscriptions and single copies are available without charge and may be obtained by writing to the editor.

Manuscripts of articles are welcomed and should be submitted to the Editor. Articles on labor market conditions and the economic welfare of Minnesota workers are preferred, but subjects which can be shown to be closely related to general economic conditions within the State will also be considered. Articles should be submitted complete with tables and graphs. Length generally should not exceed the equivalent of ten single-spaced typewritten pages, including graphs, references, and notes.

All signed articles appearing in this publication together with the Editorial Comment represent the views of the author or editor and not necessarily those of the Department. Questions or comments to the authors may be directed to the Research and Statistical Services Office of the Minnesota Department of Economic Security, 390 N. Robert Street, St. Paul, Minnesota, 55101 or (612) 296-6545.

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Editorial Comment

Some New Perspectives on Poverty

By R. Pinola

In the August 1983 issue of the Review, we referenced a Bureau of Census report which showed that if in-kind benefits were included as income, measures of the incidence of poverty would be significantly lower than the official estimates that are based on money income alone. Our purpose was to bring readers up-to-date on an issue that had been festering since the late 1960s and was about to break out in full scale debate. We also wanted readers to know that the substantial growth in in-kind benefits since the mid-1960s (when the poverty income threshold was first introduced) had put a new dimension on this debate. We now wish to bring the readers attention to two other dimensions of poverty that seem to merit further consideration and attention.

The first item to which we are alluding concerns persons whose income falls below the poverty threshold but who work full time. This has significance for two reasons; namely, the popular perception that only persons without jobs are poor, and the fact that the changing structure of the economy may generate some unanticipated and unsettling results in the future. Consumer Income Report #138, published by the Bureau of Census in 1983, provides data which indicates that in 1981 almost one-fourth of those persons 15 years of age and over whose incomes fell below the poverty threshold worked full time. Since both the very young and the old were included in these estimates, we restricted our attention to those 22 through 44 years of age. Here we found that over 37 percent who were poor worked full time. Restricting our analysis still further to males 22 through 44 years of age showed that almost 57 percent of the poor worked full time. Admittedly, many of these full time workers were employed less than 52 weeks in the year. However, over 45 percent of the males 22 through 44 years of age in poverty worked full time for 50 to 52 weeks of the year. Even more startling was the fact that almost 61 percent of white males 22 through 44 years of age who were poor worked full time; of whom 40 percent worked full time for 50 to 52 weeks of the year, while black males in the same age category fared considerably better.

Given the generally lower wages that prevail in the Service sector of the economy, and the projected faster growth of this sector relative to the other sectors, suggests that we may find an increasing number of the fully employed among those in poverty. Despite this potentially bleak picture, there is a countervailing element that provides a basis for some optimism. Here we refer to the relatively high turnover that occurs each year in the poverty population. For this view, we turn to another source of data.

The Panel Study of Income Dynamics of 5,000 American families has been conducted since 1968 by the Survey Research Center at the University of Michigan. This study provides useful information for measuring the turnover of the poverty population in the United States. Using data from this longtitudinal study for the years 1969 to 1978, Greg Duncan, in his book, Years of Poverty-Years of Plenty, uses a definition of persistent poverty to measure turnover in the poverty population. He defines persistent poverty as those who were poor in at least eight of the ten years of the study period. Based on this definition, he found that only 2.6 percent of the population was persistently poor during the 1969-1978 period. This was in contrast to 24.4 percent of the population that experienced at least some poverty over the study period. For about 8.3 percent

of the population, poverty occurred intermittently for three to seven of the ten years. To quote Duncan, "Our analysis found substantial turnover in the poverty population during the 1969-1978 decade, with nearly one-quarter of the population poor at least once, but a very small fraction persistently poor". 1/

In order to determine whether structural change or changes in economic conditions affected the turnover of the poverty population, Duncan divided the study period into two five-year segments, 1969 through 1973 and 1974 through 1978. Despite a more severe recession and changes in social policies in the latter period, Duncan found "...no perceptible changes in the structure of short-and longer-term poverty." 2/

It should be noted that the results of the Panel Study of Income Dynamics challenges much of the conventional wisdom regarding economic mobility in the United States. The generally accepted assumption that people who are now poor, or alternatively affluent, will be so for a long time is not supported by the data from the longtitudinal study. At the same time, however, the substantial turnover that exists with respect to the economic status of the population indicates that there are more people than generally recognized who need some form of social safety net at some point in their lives. Thus, over 25 percent of the families studied received public welfare at some time in the 1969-1978 period.

Returning to our earlier observation that a large portion of the population in poverty in 1981 was comprised of persons who worked full time, we find it alarming that by and large many of these people would not be lifted out of poverty even if their unemployment spells were completely eliminated. This is particularly true for those in the prime-age who are household heads. In short, while the incidence of persistent poverty is small, those who work for low wages do not stand much of a chance to escape poverty even if they worked full time for 50 to 52 weeks in every year.

1/ Duncan, Greg J., Years of Poverty-Years of Plenty, Institute for Social Research, University of Michigan, Ann Arbor, 1984, p. 41.

2/ Ibid, p. 43.

Research Summaries

TRENDS IN EMPLOYEE BENEFITS

By B. Steuernagel

Employee benefits are an important part of the total compensation an employee receives for working. Such benefits as vacations, pensions, and insurance contribute to worker well-being and security but also increase the cost of doing business. In the past 50 years the types and costs of employee benefits have increased dramatically. In 1929 there was no Old-Age, Survivors, Disability, and Health Insurance or Unemployment Insurance. Vacations and paid holidays were usually limited to office workers, with the one-week vacation common and considerably fewer paid holidays than today. The only legally required payments were workmen's compensation and government employees retirement. Total benefits in 1929 are estimated to have cost $1.5 billion or 3 percent of that year's $51.4 billion in wages and salaries. In 1981, total benefits are estimated to have been 32.9 percent of wages and salaries and cost $485 billion. This Research Summary uses data from the 1981 Employee Benefits Survey conducted by the Chamber of Commerce to show the cost of various employee benefits and how these costs have risen over time. The 1981 survey collected data from 994 companies.

The following table shows the specific types of employee benefits and their share of total benefit costs. Employee benefits vary widely from industry to industry. The petroleum industry paid employee benefits equal to 44.6 percent of payroll in 1981, while the benefits share of payroll of firms in wholesale and retail trade was 30.6 percent. Some negotiated benefits, such as life and health insurance and vacation and holiday pay, were paid by nearly all companies surveyed. Other items were paid by a smaller number of firms. For example, sick leave was paid by 83 percent, dental insurance premiums were paid by 51 percent of the firms, employee discounts on goods and services purchased from the company were paid by 18 percent, and 21 percent paid profit-sharing payments.

Percent Distribution of Employee Benefits, 1951-1981

Type of Payment	1951	1961	1971	1981	Change in Percent Dist. 1951-1981
Legally required	22.0	24.3	27.7	29.5	7.5
Old-age Survivors, Disability and Health Insurance (FICA)	6.7	10.0	14.2	16.3	9.6
Unemployment Compensation	6.7	5.2	2.7	3.1	-3.6
Workmans Compensation	4.0	3.3	3.8	2.8	-1.2
Government Employees Retirement	4.0	4.8	5.8	6.5	2.5
Other	0.7	1.0	1.2	0.9	0.2
Agreed Upon	18.0	21.9	22.7	25.2	7.2
Pensions	12.0	12.4	11.5	10.8	-1.2
Insurance	4.7	8.1	10.0	12.9	8.2
Other	1.3	1.4	1.2	1.5	0.2
Rest Period	16.7	15.2	13.8	11.7	-5.0
Time Not Worked	36.7	33.8	32.3	30.8	-5.9
Vacations	20.0	18.1	16.5	15.7	-4.3
Holidays	12.0	11.4	11.2	10.5	-1.5
Sick Leave	4.0	3.8	3.8	4.0	0.0
Other	0.7	0.5	0.8	0.6	-0.1
Bonuses and Profit-Sharing, etc.	6.7	4.8	3.5	2.8	-3.9
Total Benefit Payments	100.0	100.0	100.0	100.0	

Source: Employee Benefits 1981, Chamber of Commerce of the United States.

The cost for rest periods and time not worked, such as vacations and holidays, account for the largest share of employee benefit costs. However, between 1951 and 1981, costs for time off have not risen as rapidly as those for legally-required payments or pension and insurance, and, consequently, the share of employee benefit costs for time off has fallen from 53.4 percent in 1951 to 42.4 percent in 1981.

The following table shows the growth of employee benefits, from 1951 to 1981, as estimated by the Chamber of Commerce. From 1971 to 1981 the cost of benefits rose far more rapidly than wages and salaries or the prices of goods and services, as measured by the Consumer Price Index (CPI). The cost of benefits increased by 223.3 percent compared to a 100.6 percent increase in wages and salaries and a 134.5 percent increase in the CPI.

Growth of Employee Benefits, 1951 to 1981
(Percent of Wages and Salaries)

Type of Payment	1951	1961	1971	1981
Legally required	3.3	6.1	7.2	9.6
Old-age, Survivors, Disability and Health Insurance (FICA)	1.0	2.1	3.7	5.3
Unemployment Compensation	1.0	1.1	0.7	1.0
Workmans Compensation	0.6	0.7	1.0	0.9
Government Employees Retirement	0.6	1.0	1.5	2.1
Other	0.1	0.2	0.3	0.3
Agreed Upon	2.7	4.6	5.9	8.2
Pensions	1.0	2.6	3.0	3.5
Insurance	1.7	1.7	2.6	4.2
Other	0.0	0.3	0.3	0.5
Rest Period	2.0	3.5	3.6	3.8
Time Not Worked	5.4	7.1	8.4	10.0
Vacations	3.0	3.8	4.3	5.1
Holidays	1.8	2.4	2.9	3.4
Sick Leave	0.6	0.8	1.0	1.3
Other	0.2	0.1	0.2	0.2
Bonuses, Profit-Sharing, etc.	1.9	1.5	0.9	0.9
Total Benefit Payment	15.3	21.0	26.0	32.6
		(Billion dollars)		
Wages and Salaries	$ 171.1	$ 278.1	$ 571.4	$1,494.0
Total Benefit	$ 26.2	$ 58.4	$ 150.0	$ 486.0

Source: Employee Benefits 1981, Chamber of Commerce of the United States.

In the ten year period from 1971 to 1981, higher employee benefit costs have come primarily from increases in legally required benefits, especially FICA, and the insurance portion of agreed-upon programs.

The Job Market

EATING AND DRINKING ESTABLISHMENTS

By B. Jones

Introduction

Employment in the Eating and Drinking Industry has shown strong gains over the past 24 years. Employment in this industry has more than tripled since 1960. It has also held up well during recessionary periods. This article will look at the Eating and Drinking Industry's composition, employment, occupational staffing patterns and outlook for the future.

The Industry

The Eating and Drinking Industry, a part of the Retail Trade sector, includes retail establishments selling prepared foods and drinks for consumption on the premises, as well as lunch counters and refreshment stands selling prepared foods and drinks for immediate consumption. Since establishments are classified by their predominant activity, restaurants, lunch counters, and drinking places are operated by hotels and department stores are classified in the hotel and department store categories, respectively, and are not included in this group.

There are approximately 6300 Eating and Drinking establishments in Minnesota employing 111,500 workers. This comprises 6.3 percent of the State's nonagricultural wage and salary employment. Forty-six percent of these establishments, employing 57.5 percent of the workers in this industry are employed in the Minneapolis-St. Paul nine-county area. Employment in this industry grew by 74.5 percent from 1970 to 1978 and is expected to increase by another 43.0 percent by 1990.

Occupational Staffing Patterns

Over 77 percent of all employees in the Eating and Drinking Industry, as shown in Table I, are Service workers. The only other occupational group to compromise more than ten percent of employment is the Managerial group.

Among the Service workers, nearly 97 percent are food service workers, namely: Waiters and Waitresses (43.3 percent), Cooks & Chefs (27.2 percent), Bartenders (7.5 percent), Waiter's Assistants (5.2 percent), and Dishwashers (5.0 percent). Employment of Service workers in this industry is expected to increase at the same pace as total employment in Eating and Drinking Establishments.

There was a decrease in the proportion of Managerial workers in this industry from 1970 to 1978. Although the number of Managerial workers has increased and is expected to continue increasing, it will be at a slightly slower rate than some of the other occupational groups. Almost all of this group (96.7 percent) is classified as Managers of Bars and Restaurants.

Among the professional group, 74.5 percent are Musicians and other Entertainers. The increase in the Professional category can be attributed to the rise in the number and frequency of places that provide live entertainment for their patrons. Accountants are the only other Professionals of significance (18.8 percent) in this industry.